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DRAFT DECISION

Support costs: successor arrangements

Annex I

ARRANGEMENTS FOR SUPPORT COST SERVICES

TSS-1

1. The establishment of TSS-1, mandated by decision 90/26, is intended to support the objectives of the successor arrangements elaborated in decision 90/26, paragraph 1 (a through g). This facility should contribute, inter alia, to achieving a sharper technical focus by agencies and to improving agency capacities for technical support to developing countries in the upstream stages of programme and project cycles, including the provision of sectoral policy advice to Governments and the formulation of subsectoral and cross sectoral strategies and programmes.

2. The technical services at the programme level, to be financed by TSS-1, should include those necessary for carrying out (a) significant sectoral and subsectoral studies at the country and intercountry level; (b) the formulation of sectoral programmes; (c) participation in national technical cooperation assessments and programmes, country programming and other technical cooperation assessment and formulation exercises; and (d) thematic evaluations. For these purposes, TSS-1 should be considered additional and complementary to other activities currently carried out under the regular programmes of participating agencies and other sources, including UNDP programme resources (see table 4 in document DP/1991/25).

3. Conversely, resources available from the regular budgets of the participating agencies and other sources for these purposes could be viewed as

constituting matching funds to be provided to ensure the supplementary character of TSS-1 in the formulation of a joint programme of sectoral activities at the country level. TSS-1 should, therefore, be considered a catalyst for making more effective use, achieving a sharper country focus and providing leverage for other resources available for similar purposes within the United Nations system.

4. The process of needs identification and priority setting will begin in the field. The proposed activities potentially to be funded by TSS-1, reflecting government needs and priorities, will be submitted by the Resident Representative/Resident Coordinator to United Nations Development Programme headquarters. These activities will be elaborated after consultation with the representatives of United Nations organizations under the leadership of the Resident Coordinator. They will be accompanied by observations of the Resident Coordinator and representatives of the participating agencies and information on such other funding which is or may be available, as well as other activities undertaken within the United Nations system.

5. The activities to be covered should fall within the areas of competence of the agencies participating in the new regime.

6. The needs emanating from the field will be aggregated by the United Nations Development Programme. After consulting with the participating agencies, UNDP will propose activities to receive support from TSS-1, or from resources which may be available from sources mentioned in paragraph 2 of the present annex. On this basis, a work programme for the activities to be covered by the resources mentioned will be elaborated jointly by UNDP and the participating agencies concerned. The work programme will be country specific but will also include intercountry activities, as applicable and will cover a period of two years within a forward-looking, three-year plan.

7. It is envisaged that in the initial stages such work programme may cover only part of the activities described in paragraph 2 of the present annex and that the successive plans will cover a wider range of these activities.

8. The selection of activities to be included in the work programme will be based on the priorities indicated by the recipient countries and will also take into account, inter alia, the following:

(a) The need to synchronize studies carried out by the participating agencies concerned at the country level so that more effective use can be made of them;

(b) The need to stagger and smooth out the timing of the studies so that the resulting workload can be accommodated by the participating agencies within their capacities;

(c) The priority of national capacity-building;

(d) Government commitment and willingness to participate in the activity;

(e) The possible usefulness of the studies outside the country;

(f) The need to achieve significant impact in such activities.

9. It is recognized that the process described above will result in a combined programme, drawn up collaboratively between UNDP and the agencies concerned, covering the resources of TSS-1 and those which may be available from the sources mentioned in paragraph 2 of the present annex. Within this programme, the Administrator will have the authority for the appraisal and selection of activities to be financed by TSS-1 and will be accountable to the Governing Council for them. In doing so, he will be guided by the criteria specified in paragraph 7 of the present annex.

10. The process described above will be respected by all parties. While a measure of flexibility in the implementation of the plan should be provided for, the initiation of studies and/or activities outside of this framework should be avoided.

11. The resources of TSS-1 will be managed centrally by UNDP.

12. Since the utilization of TSS-1 resources will be based on country-level needs, there will be no pre-allocation of resources by sector or agency. It is intended, however, that a measure of equity between countries should exist over the five-year period of a programming cycle; it need not exist for two-year work programmes.

13. For the initial two-year period 1992-1993, a work programme would be submitted to the Governing Council at its thirty-ninth session (1992). Activities under this programme could, however, begin in 1992 before its consideration by the Governing Council. The work programme would identify the studies to be carried out by country and agency as well as by sector and programme, as applicable. Thereafter, the work programme would be submitted to the Council every two years, beginning in 1993.

TSS-2

14. The resources of TSS-2 would be potentially available for financing agency technical services at all stages of the project cycle and for all projects in the sectors of competence of the relevant agencies.

15. The purpose of TSS-2 is to increase and enhance the quality of projects and to assist the Administrator in discharging his accountability effectively. All country and intercountry projects may therefore require these services.

16. TSS-2 services may be required in all the arrangements for the delivery of administrative and operational services.

17. It is recognized that project formulation and design services have in the past been financed primarily through programme resources, including the IPF

(through the preparatory assistance modality), SPR (through the Project Development Facility) and agency sources (see table 5 of document DP/1991/25). This practice, to the extent necessary and taking into account resources available under TSS-2, may continue in the future. The Project Development Facility is expected to be available to the agencies concerned.

18. Technical support during implementation is the principal target of TSS-2 resources. It is recognized that such support can be divided into two categories:

(a) Services which can be foreseen to be required, before the approval of a project and for which, therefore, the provision of resources can be planned for; and

(b) Unforeseen requirements arising from the need to take corrective action during the course of implementation.

19. The level and extent of TSS-2 services should be determined in accordance with relevant procedures and by the needs of individual projects, taking into account such factors as the technical complexity of a project and the availability of technical support for the project in the country. There should thus be no automatic entitlements in the use of these services; it is understood, however, that agency technical services of monitoring and evaluation would normally apply to large-scale projects, and projects of special complexity. It is also intended that the distribution of these resources by countries will be roughly in line with IPFs, after making due provision for unforeseen requirements mentioned in paragraph 18 (b) of the present annex. TSS-2 resources will not be apportioned by agency or sector.

20. TSS-2 is a facility entrusted to the Administrator. The determination of the need and extent of services required will be made by the Administrator in close consultation with the Government and agency concerned.

21. The Administrator shall be accountable to the Governing Council for the effective use of the TSS-2 facility. He shall provide periodic reports to the Governing Council on the use of these funds, including information on its utilization by country and agency.

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